United States Department of the Interior Bureau of Land Management

Decision Record Environmental Assessment DOI-BLM-UT-W020-2010-014-EA

February 2011

Sevier Lake Competitive Potash Leasing Proposal

Location:

Millard County, Utah

Applicant/Address: Bureau of Land Management, Utah State Office

U.S. Department of the Interior Bureau of Land Management

Fillmore Field Office 95 East 500 North Fillmore, UT 84631 Phone: 435.743.3100 FAX: 435.743.3135

Utah State Office 440 West 200 South, Suite 500 Salt Lake City, UT 84101 Phone: 801.539.4001

FAX: 801.539.4001



DECISION RECORD

Environmental Assessment DOI-BLM-UT-W020-2010-014-EA Sevier Lake Competitive Potash Leasing Proposal

It is my decision to offer 125,762 acres, in and around the Sevier Dry Lake, through a competitive lease sale for potassium and other related salts (potash). The Bureau of Land Management (BLM) has analyzed this action in an environmental assessment (EA), DOI-BLM-UT-W020-2010-014-EA, and found that this selected alternative will not result in a significant impact to the environment.

The land will be offered as 64 individual parcels with only sealed bids accepted during the bidding process. A single entity is limited to leasing a maximum of 96,000 acres within one state without already having an existing production operation that it can tie to new lease parcels. Any proposal to mine the entire lake surface would have to include collaboration with at least one other party. Production from leases issued as a result of the sale requires submission of a mining plan, which would be subject to a separate analysis under the National Environmental Policy Act (NEPA). A mining plan may incorporate the use of right-of-way (ROW) acreage adjacent to and/or around the lake to include access roads, a processing plant, an energy transfer station, fresh water wells, and other structures and features as needed to produce potash from the leased land. Average production is estimated at 400,000 tons per year (tpy); the life of mine is estimated at 6.5 years, in addition to 2 to 3 years up front, and 3 to 5 years for reclamation.

The selected alternative was presented and analyzed in the above referenced EA subject to the best management practices, mitigation measures, and stipulations to be included with all issued leases. Specific stipulations are described below under the Terms/Conditions/Stipulations section of this Decision Record.

Authorities:

The authority for this decision is contained in 43 CFR 3501.1(a) (1) The Mineral Leasing Act of 1920 as amended (30 U.S.C. 181 et seq.).

And

43 CFR 3501.1(d) The Federal Land Management Act of 1976 (43 U.S.C. 1701 et seq.) authorizes the management and use of the public lands.

And

43 CFR 3508 Competitive Lease Applications

Compliance and Monitoring:

Compliance with the competitive leasing requirements will be observed by BLM officials during the processes of notifying the public that potash lease parcels are available for leasing through sealed bids. These procedures are public processes.

Monitoring requirements are specified in the stipulations listed under the Terms/Conditions/Stipulations section of this Decision Record. These requirements are intended to maintain impacts at insignificant levels.

Terms / Conditions / Stipulations:

- 1) Ditches, Berms, Drill Holes and Other Excavations: The lessee shall fill in pits, ditches, and other excavations within reason, to restore the surface of the leased land and access roads to their former conditions as far as reasonably possible, including removal of structures and removal of all debris. All drill holes shall be filled with cement or other suitable material as approved by the Authorized Officer (AO) prior to abandonment of the wells. This shall take place upon any partial or total lease relinquishment or cancellation or at any other time prior thereto when required and to the extent deemed necessary by the lessor.
- 2) Mining Unit: Prior to production, a Unit Agreement (royalty allocation agreement) shall be approved which establishes the fee, Federal and State lands as a unit for production royalty purposes. Along with this, the mining unit shall count production from anywhere on the fee, Federal or State lands as production on any of the lands.
- 3) Waste Certification: The lessee shall provide upon abandonment and/or sealing off a mined area and prior to lease termination/relinquishment, certification to the lessor that, based upon a complete search of all the operator's records for the mine and upon their knowledge of past operations, there has been no hazardous substances per (40 CFR 302.4) or used oil as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary, including disposal in an appropriately permitted disposal facility, has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent. *All waste must be removed and all hazardous materials used or produced must be reported to the FFO.
- 4) Noxious Weeds: Equipment will be cleaned prior to entering the proposed project area to minimize the introduction of noxious/invasive weeds in other areas. The lessee/operator shall annually inspect active and inactive operational areas on each lease for noxious weeds (that are listed for control by the State of Utah, the Utah BLM and Millard County). If any of the listed weeds are found, control must be initiated by the lessee. The lessee shall contact the Weed Control official at the FFO in advance to discuss the planned control method (lessees are required to obtain a permit prior to the control through the application of approved herbicides). The lessee shall chemically treat annual invasive weeds (such as cheatgrass) in areas of high activity so as to prevent the potential of fire on the site and buildup of fire potential. Active and inactive operational areas on leases shall be inspected annually on each lease for noxious weeds. A plan shall be submitted and approved by the AO prior to the initiation of any control of weeds.
- 5) Survey Monuments: The Lessee at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed, or displaced corner monuments (section corners, quarter corners, etc.) their accessories (witness trees, bearing trees, etc.), or restore them to their original condition

- and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the Lessee, by the BLM, to the standards and guidelines found in the Manual of Surveying Instructions, U.S. Department of Interior.
- 6) As Built Drawings: The Lessee will submit to the Deputy State Director, Lands and Mineral Resources, BLM Utah State Office, and the FFO, a scaled map showing the construction and the survey coordinates (State Plane or metes and bounds description) of each of the mine features, buildings, ditches, pumps etc., within 90 days after construction is complete. The surveyor that conducts the survey will be licensed and shall stamp the drawing. Land features will be shown on the drawing. These will include but are not limited to section corners, roads, and section lines. An updated map will be sent to BLM within 90 days after construction is completed on any new sites.
- 7) Reclamation: The mining plan must include an interim reclamation plan and a final reclamation plan. A seeding and grading plan and schedule will be submitted and approved by the AO prior to finalizing any reclamation. Upon reclamation of disturbed areas surrounding the lakebed where revegetation is planned, plant growth shall be monitored for a minimum of three years or until the reclamation standards of success have been attained. All previously vegetated disturbed areas will attain 75% basal cover based on similar undisturbed adjacent native vegetative community, and comprised of desired species and/or seeded species within 5 years of initial reclamation action. However if after three (3) growing seasons there is less than 30% of the basal cover based on similar undisturbed native vegetative community, then the AO may require additional seeding efforts. The reclamation bond/liability will not be released until the AO accepts the reclamation in writing. Concurrent reclamation practices will be used. In the event that this standard cannot be met, the lessee may request a waiver to this stipulation. The waiver must state as a minimum, the reasons for the request and show a history of the reclamation attempts by the lessee. The AO may waive the requirement on his discretion.
- 8) Water Replacement: The Lessee at his expense, will be responsible to replace any water resources (that contain in a baseline analysis of <10,000 mg/l Total Dissolved Solids (TDS)), that are lost or adversely affected (quality or quantity) by their mining operations. These shall include (1) developed ground water sources existing at lease issuance or new sources that may be developed during the term of the lease, and (2) other surface and/or ground water sources that may be identified by the BLM for protection as part of the conditions for any mining plan approvals. If replacement is required, the lessee shall replace the sources with an alternate source in the same quantity and quality to maintain existing uses. The existing uses shall include but not limited to riparian habitat, fishery habitat, livestock, wildlife, domestic, agricultural, or other land uses. The lessee/operator shall obtain sufficient base line data and monitoring in order to establish parameters to show whether water resources are affected.
- 9) Wildlife and Plant Species: Sufficient base line data shall be established as determined necessary by the AO. In order to accomplish this, the lessee shall submit an acceptable wildlife and plant inventory prior to conducting any surface disturbing activity. Prior to conducting the inventory, an inventory plan shall be submitted and approved by the AO for the mining and/or exploration plan. The inventory plan shall include Federally Listed

or Candidate species, as well as BLM Sensitive plant or wildlife species, including FWS Birds of Conservation Concern (2008) and big game species. The inventory plan shall address, but not be limited to the following: species occurrence, migration corridors, winter use, reproductive periods, and habitat value, including the invertebrate community. The plan shall address the time periods to be inventoried by species. The inventory shall be conducted by a qualified individual approved by the AO prior to the commencement of the inventory. The final inventory shall be submitted to the AO within 60 days after completion. A Wildlife Mitigation Plan shall be submitted as part of any mining or exploration plan and will describe actions to be taken to avoid, minimize, or reduce any future impacts to wildlife. The plan shall include but will not be limited to, survey/monitoring of species; the rescue, recovery, reporting and rehabilitation of injured wildlife as practicable; recovery and reporting of wildlife mortalities; and mitigation and adaptive management strategies. The species to be monitored shall include species on the Wildlife Action Plan, developed by the Utah Division of Wildlife Resources, and the Partners in Flight priority species. The lessee shall submit a report annually discussing mortality rates and the effectiveness of any mitigation measures taken. At the discretion of the AO this reporting requirement may be waived. The cost of conducting the inventory, preparing reports and the mitigation plan, and carrying out subsequent mitigation measures and reporting on the effectiveness of such measures, shall be borne by the Lessee.

10) Cultural Resources: The Lessee shall contact the AO with sufficient information and request a determination if a cultural inventory and/or tribal consultation is necessary. If it is necessary and prior to BLM approval to initiate potash production, the lessee shall conduct a cultural resource inventory to BLM Utah Class III inventory standards on all lands where they may be surface disturbance within the boundaries of the leased lands. The inventory shall be conducted by a qualified professional cultural resource specialist (i.e. Archaeologist, historian, or historical architect, as appropriate), approved by the AO. A report shall be generated of the inventory and recommendation for protecting any cultural resources that are identified. The lessee shall undertake measures, in accordance with instructions from the AO to protect cultural resources on the leased land. The lessee shall not commence the surface disturbing activities until permission to proceed is given by the AO. The cost of conducting the inventory, preparing reports, and carrying out mitigation measures shall be borne by the Lessee. The lessee shall protect all cultural resource properties within the lease area from lease related activities until the cultural resource mitigation measures can be implemented. If cultural resources are discovered during the operations under this lease, the lessee shall immediately bring them to the attention of the AO. The lessee shall not disturb such resources without written authorization from the AO. It may be necessary for the lessee to hire a cultural contractor to assist the BLM in determining the following: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the lessee will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. All cultural resources shall remain under the jurisdiction of the United States until ownership is determined under applicable law.

- 11) Corps of Engineers: The lessee shall work with the BLM in contacting the Corps of Engineers to comply with Section 404 of the Clean Water Act and, as necessary, in obtaining a 404 Permit.
- **12) Drilling Results**: The lessee must provide the AO within 30 days of completion, all geologic, geochemistry, water chemistry, groundwater occurrence, aquifer test results, completion details, and other similar data that they collect from any wells or borings that are installed or tested as part of exploration or development activities on the leases or associated with the leases.
- 13) Hydrologic Analysis: Sufficient base line data shall be established prior to conducting any surface disturbing activity which shall be determined necessary by the AO. In order to accomplish this, the lessee shall submit for review and approval by the AO a plan to analyze ground and surface water interactions as part of any operations or exploration on The plan shall be submitted prior to or concurrent with a Mining or Exploration plan under 43 CFR 3592.1. The plan shall include, but not be limited to the following items, and shall describe how the lessee proposes to; (1) develop sufficient baseline groundwater information to document existing hydrogeology associated with Sevier Lake basin fill and underlying carbonates, encompassing a reasonable area of potential resources, springs, and the alluvial and bedrock aquifers. This shall include items such as the location, size, and depth of any hole that will encounter water and/or brine as well as any information that will be collected on each hole. (2) Determine the potential impacts to existing water right holders, wells, wetlands, and surface and groundwater throughout their operations. Water chemistry (including stable isotopes as necessary), estimated flow and water quantity (water balance) shall be addressed. (3) Monitor the actual impacts to groundwater resources throughout and surrounding the operation including but not limited to changes in meteoric precipitation and springs, wells (base conditions, water levels, and chemistry conditions prior to construction and monitoring after construction), wetlands, and ditches. Wells, wetlands, and springs (at sites determined to be relevant based upon the groundwater study that would be conducted prior to development) shall be monitored during operations in order to minimize potential impacts to groundwater resources by allowing an early identification. Further, the plan shall contain sufficient detail to allow it to be independently assessed, and include such things as the type of groundwater model that would be used (and/or other methods of analysis), phasing of the analysis and proposed iterative studies. The plan shall also contain a list of people and their qualifications to accomplish the work and a list of deliverables with a timing schedule. The lessee shall be responsible for any cost incurred for the plan and the accomplishing of the work.
- 14) Lands and Realty: Existing roads and trails would be used for travel to the maximum extent feasible unless otherwise authorized. During wet road conditions, any ruts deeper than four inches remaining on the road from the project would be repaired at the AO's discretion. The proposed project would be subject to valid prior existing right-of-way. The Master Title Plat and LR2000 Geo Report show an existing right-of-way within the project area. The proposed project is subject to this existing right-of-way. This Holder shall be contacted and coordinated with if their ROW would be affected by this project.
- 15) Dust Control Plan: The operator/lessee shall develop a dust control plan for review by the AO prior to conducting any operations under the lease. This shall include but not be

limited to (1) the treatment of road and disturbed surfaces, (2) speed limits to control dust, (3) stabilizing piles and (4) conditions under which work will cease, such as operations during high wind conditions. The costs of the controls shall be borne by the lease/operator.

- 16) Riparian and Wetland Inventory. The operator/lessee shall conduct an inventory for riparian and wetlands. The inventory shall be acceptable to the AO prior to the commencement of any surface disturbing activities. The inventory shall include but not be limited to; (1) maps at a sufficient scale to show the size and location of these areas. This inventory shall include the project area and the Sevier River within Township 20 South, Range 10 West if the AO deems it necessary. (2) Vegetation species shall be addressed along with percent cover, and water quality, temperature and quantity, and soil types. The cost of the inventory shall be borne by the lessee/operatory.
- 17) Lighting. The operations plan shall describe the measures that the operator/lessee will take to minimize the amount of light that will be produced. These shall include but not be limited to lighting shield, directional lighting and use and placement of portable lights. The AO may require a night sky model.

PLAN CONFORMANCE AND CONSISTENCY:

The Warm Springs Resource Management Plan (RMP), April 1987 page 49 states,

"Solid Non-Energy Leasable Minerals Prospecting permits would be processed and appropriate environmental protection stipulations attached. Leases would be issued and mining plans evaluated in order to define appropriate stipulations to protect other resource values. Restrictions on non-energy solid leasable mineral activity would be consistent with fluid mineral leasing category restrictions and areas withdrawn from locatable mineral entry as identified above."

The Sevier Dry Lake Area does not fall within any of the identified categories that are withdrawn from mineral entry and therefore it is available for leasing under the RMP.

Alternatives Considered: Two alternatives were discussed in the EA in addition to the selected alternative. One of these alternatives discussed in the EA was Alternative B, the no action alternative. Under this alternative the area would not be available for competitive leasing and any rights of way necessary for off-lease activities would not be pursued.

Alternative C- Sevier Lake Leasing Alternative (96,000 acres) would lease 96,000 acres of the Sevier Lake surface. Average production estimated under this scenario would be 100,000 tons per year (tpy). The life of mine under this production scenario was estimated at 26 years, in addition to 2 to 3 years up front, and 3 to 5 years for reclamation. Alternative C meets the purpose and need of the project by allowing the leasing of only 96,000 acres.

Rationale for Decision:

This decision to offer 125,762 acres in the Sevier Dry Lake area for competitive lease of potassium and other related salts (potash) has been made in consideration of the environmental impacts of the proposal. This was selected over Alternative C because it provides the opportunity for more competition and provides for lease access to the entire potash resource at Sevier Dry Lake. The decision to lease the Sevier Dry Lake area for potash is authorized under the Mineral Leasing Act of 1920 as amended, the Federal Land Management Act of 1976, and The Code of Federal Regulations Section 43 part 3500, Leasing of Solid Minerals other than Coal and Oil. This action is in conformance with the Warm Springs RMP.

The Sevier Lake Leasing Proposal and a 15-day public scoping period were initiated on January 22, 2010. A project description was available on the Environmental Notification Bulletin Board (ENBB) during the scoping period. Native American consultation was initiated during the scoping period; The Utah tribes consulted expressed no concern.

- The Sevier Lake Competitive Potash Leasing Proposal EA was posted on the ENBB from September 20, 2010 to October 25, 2010 for public comment. This included an extension at the request of three different parties.
- The BLM received 372 public comments in response to this posting on the ENBB. Overall, public comment expressed concerns about air quality (dust emission), visual resources, requests to prepare an Environmental Impact Statement (EIS) instead of an EA, water resources, migratory birds, cultural resources, recreation, and wilderness characteristics.
- A BLM response to the public comments has been prepared and included in the EA as Appendix E.

Appeal Language:

My signature on and approval of this Decision Record authorizes the leasing of 125,762 acres in the vicinity of Sevier Dry Lake with the potential for the production of potash and other solid minerals.

The decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4. Public notification of this decision will be considered to have occurred on the date signed below. Within 30 days of this decision, a notice of appeal must be filed in the office of the authorized officer at the Bureau of Land Management, BLM, Utah State Office, 440 W. 200 S., Suite 500, Salt Lake City, Utah 84101-1345. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals, Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the authorized officer.

A copy of the notice of appeal, any statement of reasons and all pertinent documents must be served on the IBLA at the same time it is filed with the authorized officer. In addition, a copy of all such documents must be served on each adverse party named in the decision from which the

appeal is taken and on the Office of the Solicitor, U.S. Department of the Interior, Intermountain Region, 125 South State Street, Ste. 6201, Salt Lake City, Utah 84138-1180, not later than 15 days after filing the notice of appeal with the Authorized Officer.

If you wish to file a petition for stay pursuant to 43 CFR Part 4.21(b), the petition for stay should accompany your notice of appeal and shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied;
- (2) The likelihood of the appellant's success on the merits;
- (3) The likelihood of irreparable harm to the appellant or resources if the stay is not granted; and,
- (4) Whether the public interest favors granting the stay.

If a petition for stay is submitted with the notice of appeal, a copy of that petition also must be served on the authorized officer and with the IBLA and each party named in the decision from which the appeal is taken.

Authorized Officer

Date